

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

November 24, 2004

IN RE:

**PETITION OF T-NETIX, INC. FOR APPROVAL OF THE
NOTICE OF NEW FINANCING ARRANGEMENT**

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**DOCKET NO.
04-00237**

ORDER APPROVING FINANCING ARRANGEMENT

This matter came before Chairman Pat Miller, Director Deborah Taylor Tate and Director Sara Kyle of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on September 13, 2004 for consideration of the *Petition* of T-NETIX, Inc. ("TNI") and T-NETIX Telecommunications Services, Inc. ("TTS") (hereinafter referred to jointly as "T-NETIX" or "Parties") for an order, pursuant to Tenn. Code Ann. § 65-4-109, authorizing a proposed debt issuance which involves the pledge of Tennessee public utility assets in support of indebtedness.

Statutory Framework

Tenn. Code Ann. § 65-4-109 provides:

No public utility shall issue any stocks, stock certificates, bonds, debentures, or other evidences of indebtedness payable in more than one (1) year from the date thereof, until it shall have first obtained authority from the [TRA] for such proposed issue. It shall be the duty of the [TRA] after hearing to approve any such proposed issue maturing more than one (1) year from the date thereof upon being satisfied that the proposed issue, sale and delivery is to be made in accordance with law and the purpose of such be approved by the [TRA].

Backgroud and Petition

TTS is a wholly owned subsidiary of TNI. TNI and TTS have been certificated to provide telecommunications service in Tennessee, but neither currently conducts operations in Tennessee. In their *Petition*, filed with the TRA on August 6, 2004 and supplemented on September 3, 2004, the Parties requested approval to participate in up to \$229 million of debt financing. In the proposed transaction, the Parties' current financing facilities will be paid in full and the Parties will provide guarantees in support of new financing that will be obtained by the parent company, Securus Technologies, Inc. ("STI")¹. Any future assets acquired by the Parties in Tennessee will automatically be pledged against the debt issuance. The Parties submit that the proposed financing transactions will enable them to better utilize available funds to realize certain economic efficiencies and enhance services in Tennessee, .

September 13, 2004 Authority Conference

At the September 13, 2004 Authority Conference, the Directors voted unanimously to approve the *Petition* upon a finding that the proposed transaction will be made for a proper purpose and in accordance with Tennessee law.

IT IS THEREFORE ORDERED THAT:

1. T-NETIX, Inc. and T-NETIX Telecommunications Services, Inc. are authorized to participate in a transaction resulting in up to \$229 million in debt financing, in the manner set forth in their *Petition*.

¹ On May 6, 2004, the Authority approved a transfer of ownership of T-NETIX to TZ Holdings, Inc. ("TZ") In the supplemental notice filed September 3, 2004, the Parties notified the TRA that TZ had changed its name to Securus Technologies, Inc. ("STI") This name change does not require TRA approval because the change will not affect Tennessee consumers since STI is not a certificated utility in Tennessee

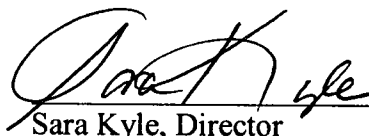
2. The authorization and approval given hereby shall not be used by any party, including, but not limited to, any lending party, for the purpose of inferring an analysis or assessment of the risk involved to a purchaser of any T-NETIX securities. Nothing contained herein creates or is intended to create any liability on the part of the Tennessee Regulatory Authority, the State of Tennessee, or any political subdivision thereof for the transaction approved herein.

A handwritten signature in black ink, appearing to read "Pat Miller", written over a horizontal line.

Pat Miller, Chairman

A handwritten signature in black ink, appearing to read "Deborah Taylor Tate", written over a horizontal line.

Deborah Taylor Tate, Director

A handwritten signature in black ink, appearing to read "Sara Kyle", written over a horizontal line.

Sara Kyle, Director